

~~SEALED BY ORDER  
OF THE COURT~~~~CR 11 00472  
CR 00472~~

## UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

**FILED**

SAN JOSE DIVISION

JUL 13 2011

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

THE UNITED STATES OF AMERICA

vs.  
KEVIN CHEN CHIEH YANG**INDICTMENT**

-Counts One through Seven: 18 U.S.C § 1343 - Wire Fraud

-18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 - Forfeiture of Fraud Proceeds

*A true bill.**Mary Elizabeth Slader*  
ForepersonFiled in open court this 13 day of July

A.D. 2011

UNITED STATES MAGISTRATE JUDGE

Bail. \$ No Bail Arrest Warrant

DOCUMENT NO.	CSAC INITIALS
DISTRICT COURT GENERAL CASE PROCESSING	

SEALED BY ORDER  
OF COURT

FILED

1 MELINDA HAAG (CABN 132612)  
2 United States Attorney

JUL 13 2011

3 RICHARD W. WIEKING  
4 CLERK, U.S. DISTRICT COURT  
5 NORTHERN DISTRICT OF CALIFORNIA  
6 SAN JOSE

7

8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA

10 11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 KEVEN CHEN CHIEH YANG,

15 Defendant.

16 SAN JOSE DIVISION  
17 CR 11 00472 RMWHL

18 No. CR

19 20 VIOLATIONS: 18 U.S.C. § 1343 — Wire  
21 Fraud; 18 U.S.C. § 981(a)(1)(C) and 28  
22 U.S.C. § 2461 — Forfeiture of Fraud  
23 Proceeds

24 25 (SAN JOSE VENUE)

26 27 INDICTMENT

28 The Grand Jury charges:

29 INTRODUCTORY ALLEGATIONS

30 At all times relevant to this Indictment:

31 1. Keven Chen Chieh YANG was a businessman affiliated with a number of  
32 businesses, including but not limited to Triangle SuperGin, OK Sourcing, Westcal, SuperGin,  
33 Global Recycle Energy, Inc., Cotton Recovery Inc., and KR Capital Corp. YANG represented to  
34 prospective investors that these companies, the “cotton recycling businesses,” were involved in  
35 and/or intended to be involved in the business of cotton recycling. YANG had a personal bank  
36 account at Wells Fargo Bank ending in 117 (“YANG Wells Account”).

37  
38 INDICTMENT

2. L.Y. was an individual living in Palo Alto, California. L.Y. had a personal bank account at Wells Fargo Bank in Palo Alto, California ending in number 274 ("L.Y. Wells Account").

3. Y.P.Y. was L.Y.'s father and lived in China.

4. D.L. was an individual living in Temple City, California. On or about December 11, 2009, in reliance made on representations made by YANG, D.L. opened a bank account in the name of Cotton Recovery Corp. at Citibank ending in number 507 ("Cotton Recovery Account").

5. Y.H. was an individual living in Alhambra, California.

6. L.Y., Y.P.Y., D.L., and Y.H. each invested in the cotton recycling businesses affiliated with YANG.

## THE SCHEME TO DEFRAUD

7. As set forth more fully below, beginning on a date unknown to the Grand Jury, but no later than in or about 2006, and continuing until approximately 2010, both dates being approximate and inclusive, in the Northern District of California and elsewhere, the defendant,

KEVEN CHEN CHIEH YANG,

did devise and intend to devise, and did participate in, a material scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises. In particular, YANG solicited individuals to invest in the cotton recycling businesses described in Paragraph 1, above. YANG led these individuals to believe that the money they invested would be used for the benefit of those businesses. Instead, YANG spent a significant amount of the investors' money on personal expenses and, in particular, on gambling at casinos.

8. As part of the scheme and artifice to defraud, YANG induced L.Y. and Y.P.Y. to invest approximately \$4,190,000 in various cotton recycling businesses. In reliance on representations made by YANG that the money would be used for business purposes, L.Y. deposited money on behalf of himself and Y.P.Y. into the YANG Wells Account. YANG did not disclose to L.Y. and Y.P.Y. that, in fact, a substantial portion of their investment would be

1 used by YANG for personal expenses, including gambling at casinos. In total, YANG gambled  
2 at least \$1,500,000 of the money invested by L.Y. and Y.P.Y.

3 9. In furtherance of the scheme and artifice to defraud, YANG induced D.L. to invest  
4 \$250,000 in Cotton Recovery Inc., a business YANG claimed he was creating to engage in cotton  
5 recycling. In reliance on representations made by YANG that the money would be used for  
6 business purposes, D.L. deposited \$250,000 into the Cotton Recovery Account. YANG did not  
7 disclose to D.L. that, in fact, a substantial portion of his investment would be used by YANG for  
8 personal expenses, including gambling at casinos. Unbeknownst to D.L., YANG withdrew  
9 approximately \$230,000 of the money deposited by D.L. and used it for gambling.

10 10. In furtherance of the scheme and artifice to defraud, YANG induced Y.H. to  
11 invest approximately \$98,000 in KR Capital Corp., a business YANG claimed he was creating to  
12 engage in cotton recycling. In reliance on representations made by YANG that the money would  
13 be used for business purposes, Y.H. purchased a cashier's check made payable to YANG totaling  
14 \$45,000 and gave it to YANG. YANG did not disclose to Y.H. that, in fact, a substantial portion  
15 of her investment would be used by YANG for personal expenses, including gambling at casinos.  
16 In total, YANG gambled at least \$45,000 of the money invested by Y.H.

17 COUNTS ONE THROUGH SEVEN: 18 U.S.C. § 1343 — Wire Fraud

18 11. The factual allegations of paragraphs 1 through 10 of this Indictment are re-  
19 alleged and incorporated herein as if set forth in full.

20 12. On or about the dates set forth in the separate counts below, in the Northern  
21 District of California, and elsewhere, for the purpose of executing the aforementioned scheme  
22 and artifice to defraud, and attempting to do so, the defendant,

23 KEVEN CHEN CHIEH YANG,  
24 did knowingly cause to be transmitted, in interstate and foreign commerce, by means of a wire  
25 communication, certain writings, signs, and signals, specifically, wire transfers of funds, as more  
26 specifically described below:

27  
28

INDICTMENT

COUNT	DATE	POINT OF ORIGIN	POINT OF RECEIPT	NATURE OF WIRE COMMUNICATION
1	9/5/2007	China	Palo Alto, California	Wire transfer of approximately \$125,800 to the L.Y. Wells Account
2	9/5/2007	China	Palo Alto, California	Wire transfer of approximately \$125,800 to the L.Y. Wells Account
3	9/6/2007	China	Palo Alto, California	Wire transfer of approximately \$756,000 to the L.Y. Wells Account
4	9/7/2007	China	Palo Alto, California	Wire transfer of approximately \$75,540 to the L.Y. Wells Account
5	11/9/2007	Hong Kong	Palo Alto, California	Wire transfer of approximately \$360,000 to the L.Y. Wells Account
6	4/14/08	Hong Kong	Palo Alto, California	Wire transfer of approximately \$794,000 to the L.Y. Wells Account
7	5/27/08	Hong Kong	Palo Alto, California	Wire transfer of approximately \$1,269,793 to the L.Y. Wells Account

12 All in violation of Title 18, United States Code, Section 1343.

13 **FORFEITURE ALLEGATION:** 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461

14 13. All of the allegations contained in this Indictment are re-alleged and fully  
 15 incorporated herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18,  
 16 United States Code, Section § 981(a)(1)(C).

17 14. Upon a conviction for the offenses alleged in Counts One through Seven above,  
 18 the defendant,

19 KEVEN CHEN CHIEH YANG,

20 shall forfeit to the United States any property, real or personal, which constitutes or is derived  
 21 from proceeds traceable to said offenses, including but not limited to a sum of money equal to  
 22 the total proceeds from the commission of said offenses.

23 24. 15. If, as a result of any act or omission of the defendant, any of said property  
 25 a. cannot be located upon the exercise of due diligence;  
 26 b. has been transferred or sold to or deposited with, a third person;  
 27 c. has been placed beyond the jurisdiction of the Court;  
 28 d. has been substantially diminished in value; or



~~SEALED BY ORDER~~~~DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT~~

BY:  COMPLAINT  INFORMATION  INDICTMENT  
 SUPERSEDING

~~OFFENSE CHARGED~~

18 USC section 1343 - Wire Fraud

Petty  
 Minor  
 Misdemeanor  
 Felony

18 USC section 981(a)(1)(C) &amp; 28 USC 2461(c) - Forfeiture of Fraud Proceeds

PENALTY: 20 years maximum imprisonment, \$250,000.00 fine; 3 years supervised release; \$100.00 special assessment

CR 11

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

## DEFENDANT - U.S.

KEVEN CHEN CHIEH YANG

FILED

DISTRICT COURT NUMBER

JUL 13 2011

00472 RMW

RICHARD W. WIERING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

## DEFENDANT

## IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.  
1)  If not detained give date any prior summons was served on above charges

2)  Is a Fugitive3)  Is on Bail or Release from (show District)

## IS IN CUSTODY

4)  On this charge5)  On another conviction}  Federal  State6)  Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer  Yes  
been filed?  No

} If "Yes"  
give date  
filed

Month/Day/Year

DATE OF  
ARRESTOr... if Arresting Agency & Warrant were not  
DATE TRANSFERRED  
TO U.S. CUSTODY

Month/Day/Year

Name and Office of Person  
Furnishing Information on this form Melinda Haag U.S. Attorney  Other U.S. AgencyName of Assistant U.S.  
Attorney (if assigned)AUSA Allison Danner This report amends AO 257 previously submitted

## PROCESS:

 SUMMONS  NO PROCESS\*  WARRANTBail Amount: No Bail

If Summons, complete following:

 Arraignment  Initial Appearance

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time:

Before Judge:

Comments: